

Message Text

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PAGE 01 TUNIS 02835 200838Z
ACTION NEA-10

INFO OCT-01 ISO-00 EB-08 /019 W
-----097210 210535Z /13

R 191402Z APR 78
FM AMEMBASSY TUNIS
TO USDOC WASHDC
INFO AMEMBASSY ATHENS
SECSTATE WASHDC 779
USICA WASHDC

UNCLAS TUNIS 2835

FROM RUAN: ATHENS FOR RTDO

E.O.11652: NA
TAGS: BEXP TS
SUBJ: APRIL 78 BUILDING AND CONSTRUCTION MISSION-TUNISIA WRAP-UP

REF: (A) TUNIS 2697, (B) TUNIS 2647, (C) TUNIS 2269, (D) TUNIS 1789,
(E) USDOC 4325

1. SUMMARY: SUBJECT EVENT CONCLUDED ITS THREE-DAY VISIT TO TUNISIA AND DEPARTED APRIL 15 ON TU 713 FOR JIDDA. MISSION SUCCESS WAS CLOUDED BY RECENTLY-IMPOSED SPECIAL TAX ON IMPORTED GOODS AND TOTALLY UNEXPECTED FAILURE OF GOVERNMENT MINISTRY HERE TO PROVIDE PROMISED MISSION ASSISTANCE. FORM DIB-411P RESULTS REPORTED BY ALL ELEVEN MISSION MEMBERS SHOW \$30,000 IMMEDIATE SALES AND \$2,738,000 IN TWELVE-MONTH PROJECTED SALES, ALL NTM. LATTER FIGURE DOES NOT INCLUDE THREE MILLION DOLLAR PROJECT OME FIRM FORESEES IF FINANCING CAN BE ARRANGED. END SUMMARY.

2. PER REF (A), THE MISSION ARRIVED SAFELY FROM CASABLANCA ON AF2793 APRIL 12 FOLLOWING A QUICK CHANGE OF PLANES AT MARSEILLES. COMMERCIAL OFFICER GALLAGHER AND STAFF MET MISSION AT AIRPORT AND PROVIDED POST BRIEFING FOLLOWING MISSION CHECK-IN AT HOTEL AFRICA.

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3. MISSION APPOINTMENT PROGRAM BEGAN HALTINGLY ON FOLLOWING MORNING AT BUSINESS INFORMATION CENTER IN HOTEL AFRICA CONVERENCE ROOM. SCHEDULED SPEAKER FROM MINISTRY OF INDUSTRY, MINES AND ENERGY FAILED TO APPEAR AT OPENING CEREMONY AND HIS OFFICE DID NOT KNOW HIS WHEREABOUTS. AFTER WAITING 45 MINUTES AND SUFFERING SLIGHT LOSS OF AUDIENCE, GALLAGHER OPENED MEETING WITHOUT HIM.

GALLAGHER LATER LEARNED THAT MINISTRY OFFICER HAD GONE OUT OF TOWN. THIS WAS SAME SEEMINGLY ENTUSIASTIC OFFICER RUAN HAD MET ON ADVANCE TRIP. EMBASSY PLANS TO DISCUSS THIS CASE WITH SENIOR MINISTRY OFFICIALS.

4. SOME 20 LOCAL BUSINESSMEN ATTENDED OPENING CEREMONY. MISSION MEMBERS, AIDED BY POST-PROVIDED SIMULTANEOUS TRANSLATION SYSTEM, INTRODUCED SELVES AND PRODUCTS. THIS WAS FOLLOWED BY INDIVISUAL APPOINTMENTS REMAINDER OF DAY AND FOLLOWING DAY. POST AND MISSION DISAPPOINTED AT SUCH SMALL OPENING CEREMONY TURNOUT, WHICH THEY CREDIT TO IMPACT ON LOCAL BUSINESS COMMUNITY OF SPECIAL TAX ON QUOTE NON-ESSENTIAL UNQUOTE IMPORTED ITEMS IMPOSED ON MARCH 23; (SEE REFTELS (B) AND (C). TAX APPLIES TO GOODS ALREADY IN COUNTRY IN ADDITION TO FUTURE IMPORTS. FIRMS MUST REPORT INVENTORY OF SUCH GOODS NOW IN THEIR POSSESSION TO GOVERNMENT BY APRIL 15, SO NUMEROUS FIRMS WERE PRE-OCCUPIED WITH INVENTORY AND UNWILLING TO MEET WITH MISSION. LOCAL FIRMS ALSO IN DOUBT ABOUT FUTURE PURCHASING PLANS BECAUSE OF THIS UNEXPECTED TAX BURDEN.

5. MISSION RECEPTION HELD AT GALLAGHER HOME AND ATTENDED BY AMBASSADOR AND DCM, PLUS SOME 55 OF 77 INVITED LOCAL BUSINESSMEN. AT RECEPTION, ONE MISSION MEMBER TOLD AMBASSADOR THAT THE IMPACT OF NEW TAX HAS FOR TNMLLED PROSPECTIVE 100,000 DOLLAR IMMEDIATE SALE HE COULD HAVE MADE.
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6. ITEMS ON MISSION VISIT APPEARED IN ADVANCE AND DURING MISSION VISIT IN BOTH FRENCH AND ARABIC PRESS HERE AND NEWSMEN INTERVIEWED MISSION MEMBERS ON APRIL 13 AND 14. MANY THANKS DUE TO PAO GRESHAM FOR THIS COVERAGE AND FOR USE OF SIMULTANEOUS TRANSLATION AND AUDIO-VISUAL EQUIPMENT.

7. FORM DIB-411P RESULTS BASED ON REPORTS OF ALL ELEVEN MEMBERS OF MISSION ARE AS FOLLOWS:

- A. IMMEDIATE SALES: \$30,000, ALL NTM;
- B. PROJECTED 12-MONTH SALES: \$2,738,000, ALL NTM;
- C. SALES REP AGREEMENTS; NONE SIGNED, FIVE PROJECTED (OVER NEXT 12 MONTHS);
- D. LICENSE AGREEMENTS: NONE SIGNED, ONE RPT ONE PROJECTDD;
- E. JOINT VENTURE AGREEMENTS: NONE SIGNED, NONE PROJECTED;
- F. FIRST OBJECTIVE ACHIEVMENT: FIVE YES, TWO NO, FOUR PARTIAL.

8. TOTAL MISSION EXPENDITURES HERE WILL BE REPORTED IN SEPTTEL. PRELIMINARY REVIEW INDICATES EXPENDITURES WITHIN REFTEL (E) AUTHORIZATION.

9. IN SUM, EXCEPT FOR TWO FIRMS, MISSION VISIT HERE NOT PARTICULARLY

PRODUCTIVE, THOUGH NOT TO SURPRISE OR DISMAY OF MISSION MEMBERS, WHO
LOOKING FORWARD TO SAUDI ARABIA VISIT. POST ASSISTANCE PRAISED
BY MISSION AND RUAN.

10. MISSION DEPARTED FOR JIDDA APRIL 5 AT 1330 ON TUNIS AIR FLIGHT
713, ETA JIDDA 2120. MULCAHY

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 19 apr 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
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Executive Order: N/A
Errors: N/A
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Office: ACTION NEA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 78 TUNIS 2697, 78 TUNIS 2647, 78 TUNIS 2269, 78 TUNIS 1789
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2910239
Secure: OPEN
Status: NATIVE
Subject: APRIL 78 BUILDING AND CONSTRUCTION MISSION-TUNISIA WRAP-UP
TAGS: BEXP, TS
To: COM
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/243d01ab-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014